Installation Business Management

Mr Harold Smith

A Commitment to Excellence

"…Some of us will serve in government for a season; others will spend an entire career here. But all of us should dedicate ourselves to great goals:

We are not here to mark time, but to make progress, to achieve results, and to leave a record of excellence."

--President George W. Bush
October 15, 2001
Constitutional Hall, Washington, DC

Major Topics

- **Imperatives for Cost and Performance Management at Installations**
- **Strategic Management Tools and Concepts**
- **Operational Management Tools and Concepts**
- **Achieving Strategies and Operational Alignment**
- **Engaging the Workforce in Performance Management**

Imperatives for Cost & Performance Management

- Installation Commanders are tasked with providing a wide range of high quality base support to the operating forces to foster combat readiness
- However, the scope and complexity of base support requirements is increasing while financial and personnel resources continue a multi-year decline
- A fundamental challenge facing installation commanders is to maintain and/or improve the level of base support despite declining resources
- This portion of the course presents several installation business management tools that installation commanders can use to maintain high quality base support while reducing operating costs
- Actual examples of the use of the tools at USMC installations are provided to aid in rapid application at any base

Maintaining and Improving Base Support While Resources Decline

Overcoming the False Dichotomy of Quality

- Intuition tell us the quality and quantity of base support must decline as resources decline
- This is the false dichotomy of quality
- The use of strategic and operational management tools allows us to actually maintain and improve base support while reducing cost

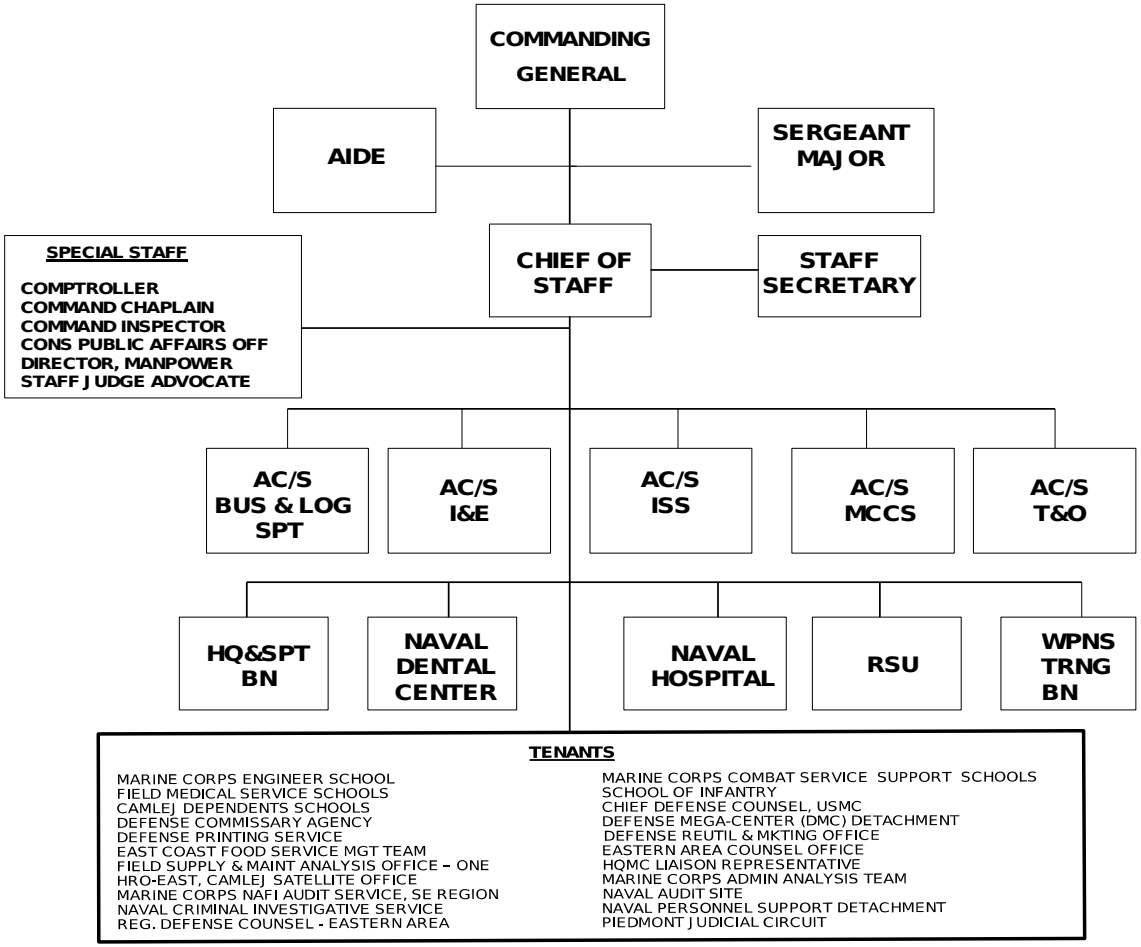
Installation Process Model
Standard Business Management Categories

Facilities and Land Management	Community Services	Security and Safety	Command and Staff	Information Management	Logistics Support	Training and Operations
Provide Real Property Services and Land Mgmt	Develop Family Readiness	Manage Safety Programs	Provide Legal Counsel and Services	Provide Voice	Provide Transportation	Provide Military Training
Provide Facilities Services	Provide Recreational Opportunities	Provide Security	Provide Command Support	Provide Data Services	Provide Supply Services	Provide Civilian Training
Sustain, Restore, and Mod Facilities	Develop Physical Wellness	Provide Fire Protection and Emergency Services	Manage Community Relations	Provide Audio/Video / Visual	Provide Procurement Services	Provide Aviation Operation Support
Provide Utilities	Provide Personal Support Services		Provide Religious Support	Provide Ground Electronic Maintenance	Provide Food Services	Provide Range Management
Provide Environmental Services	Provide Retail/Resale Goods and Services		Manage Financial Resources			Provide Simulation Support
Provide Housing	Provide Lodging Services		Manage Business Practices			
	Provide Information and Referral Services		Provide Personnel Support			
	Provide Personal and Professional Development					

Process-Based Organization Structure

- MCB Camp Lejeune has adopted a process-based organization structure that reflects the standard USMC Processes and Activities.
- The ABC/M model is aligned to the standard USMC Processes.
- Also adopted the “Shared Services” concept to provide common support services to the “Business Units” in the Base organization.
- This “Shared Services” department includes the “Business Performance Office” function and is headed by a GM-15, who serves as the Base Business Advisor/Manager.
- These organizational changes have strengthened the capability to effectively manage the performance of the entire Base operation.

Marine Corps Base Organization Chart



The Shared Services Concept

Bring together common support services that are often duplicated across organizational divisions and provide those services more efficiently at a lower cost.

“No more than one of anything in the Base organization”

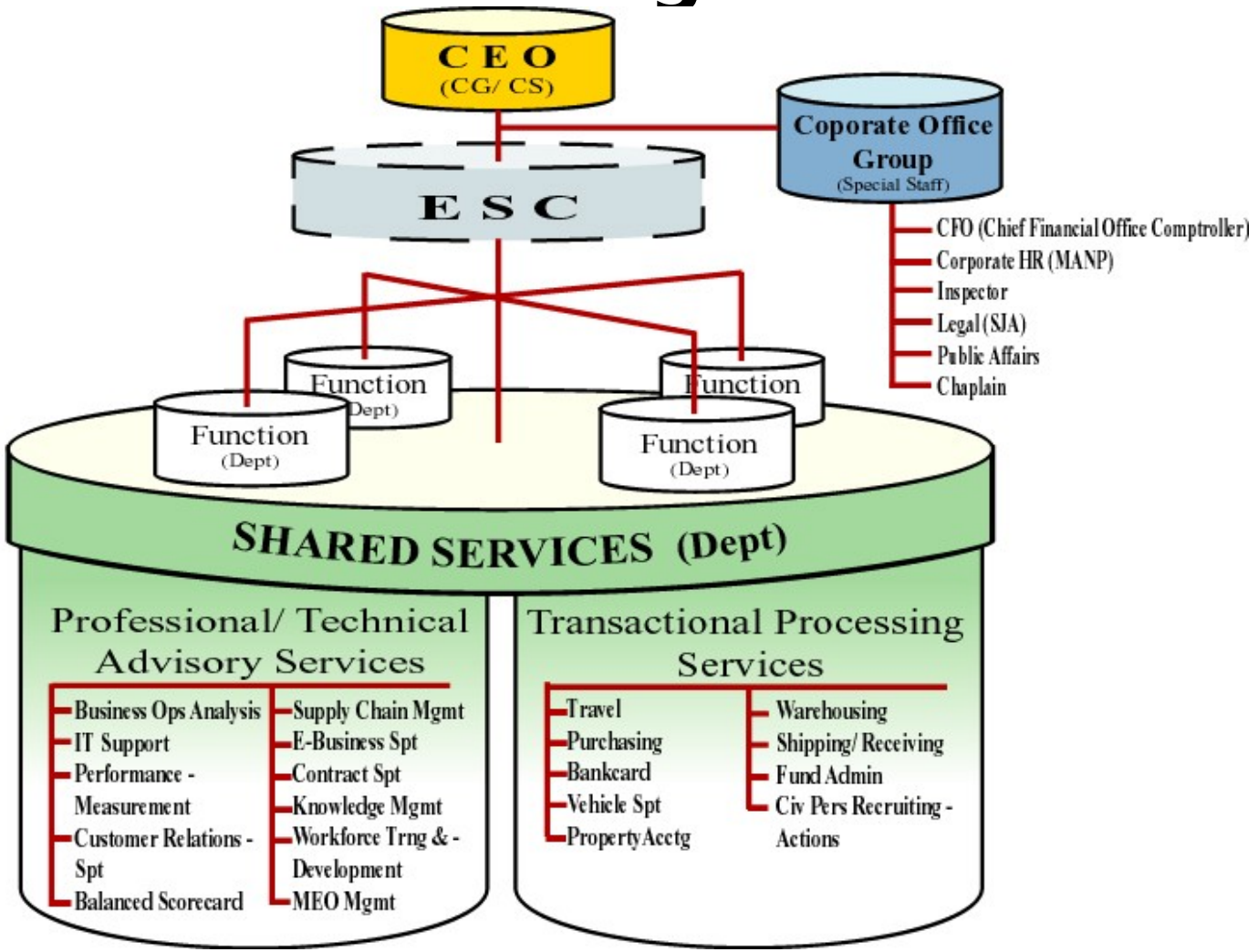
CURRENT DUPLICATION IN BUSINESS UNITS

Business Unit	Business Unit	Business Unit	Business Unit
Finance	Finance	Finance	Finance
HR	HR	HR	HR
IT	IT	IT	IT
Supply	Supply	Supply	Supply

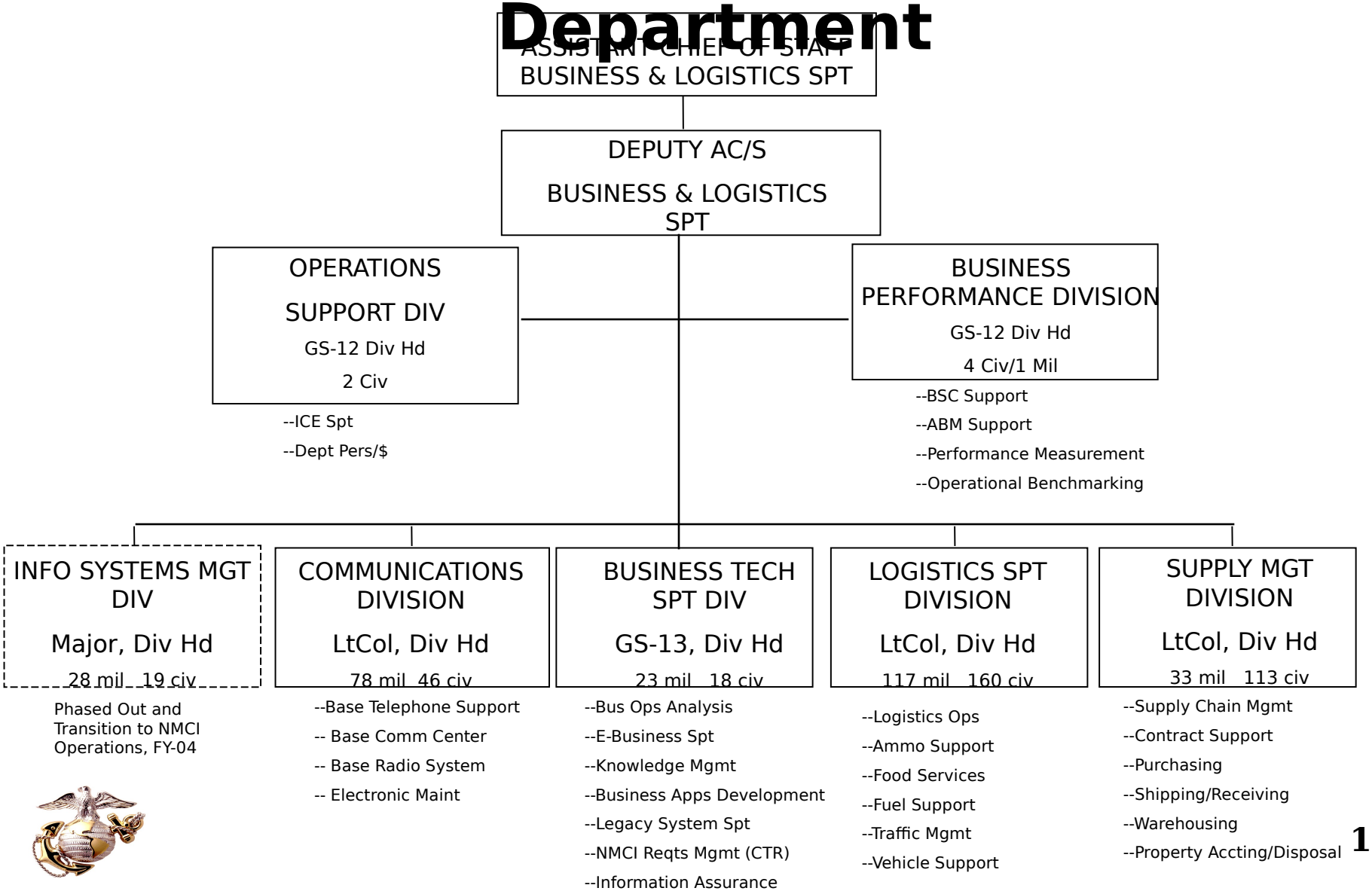
SHARED SERVICES AS A SEPARATE ENTITY

Business Unit	Business Unit	Business Unit	Business Unit	Shared Services

Translating the Shared Services Concept to the Base Organization



"Shared Services" Business and Logistics Support Department



Strategic vs. Operational Management

How to Spend Your Time -- THE RIGHT WAY

Base Commander and Dept Heads

60% Strategic Issues
30% Political Issues
10% Today's Business Issues

Division Directors/Deputies

50% Strategic Issues
20% Political Issues
30% Today's Business Issues

Numerous Branch Heads and Supervisors

98% Today's Business Issues
2% Strategic Issues

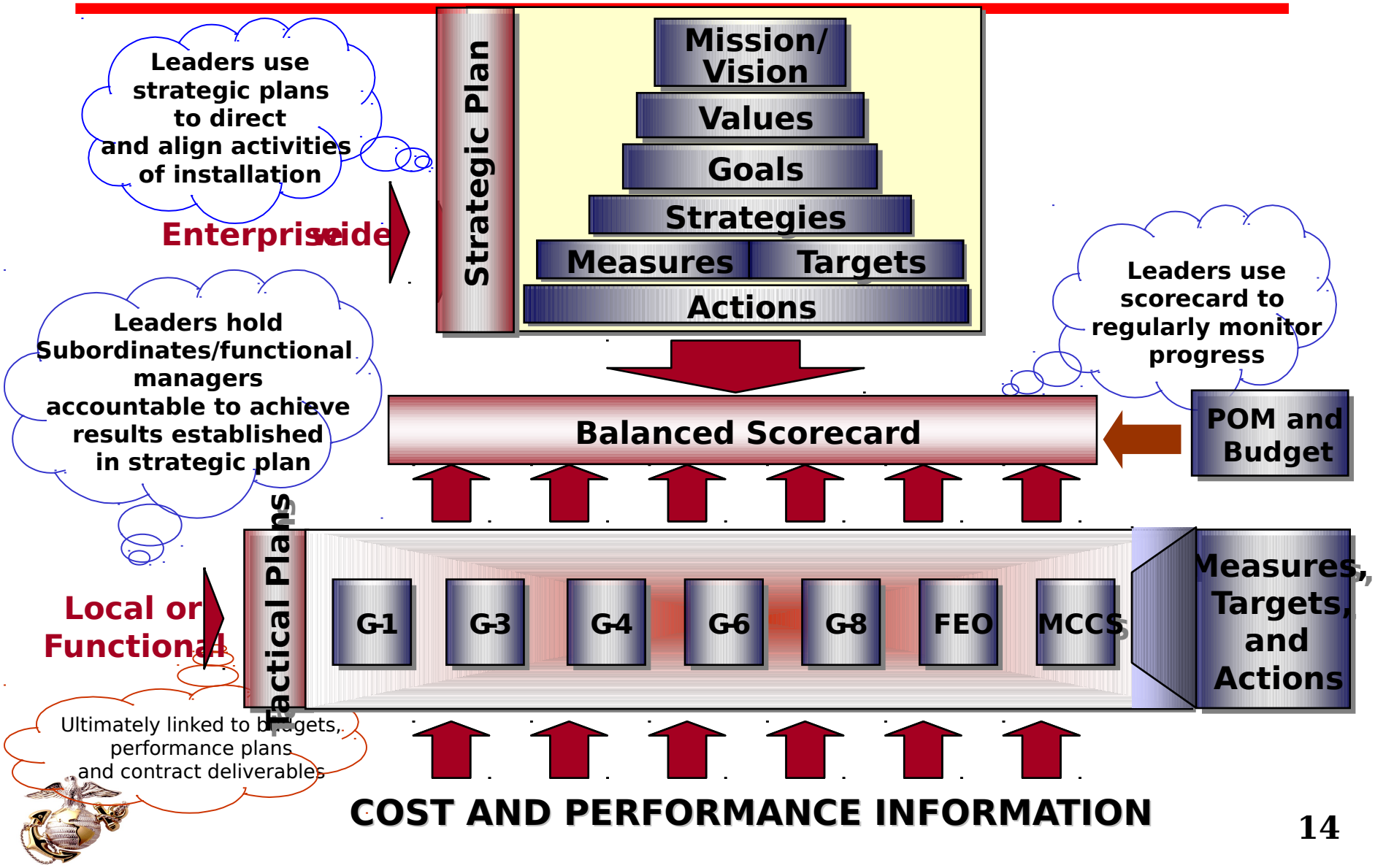
Front Line Employees

100% Today's Business Issues

Using the Tools

- Several installation management tools can be used for strategic management and to improve operational performance and reduce cost.
  - ➔ Strategic Plan
  - ➔ Balanced Scorecard
  - ➔ ABC/M
  - ➔ Performance Management Measures

Implementing the CBE Model



How Do Our Management Tools Relate to Each Other?

Flows both ways

Strategy Development And Refinement	Strategic Management	Operations Management	Business Transactions
• Mission • Vision • Strategy	• Balanced Scorecard • Strategic Performance Measures	• ABC/M • Process Management • Operational Performance Measures	• SABRS • MAXIMO • SLDCADA

Characteristics of a Strong Strategic Plan

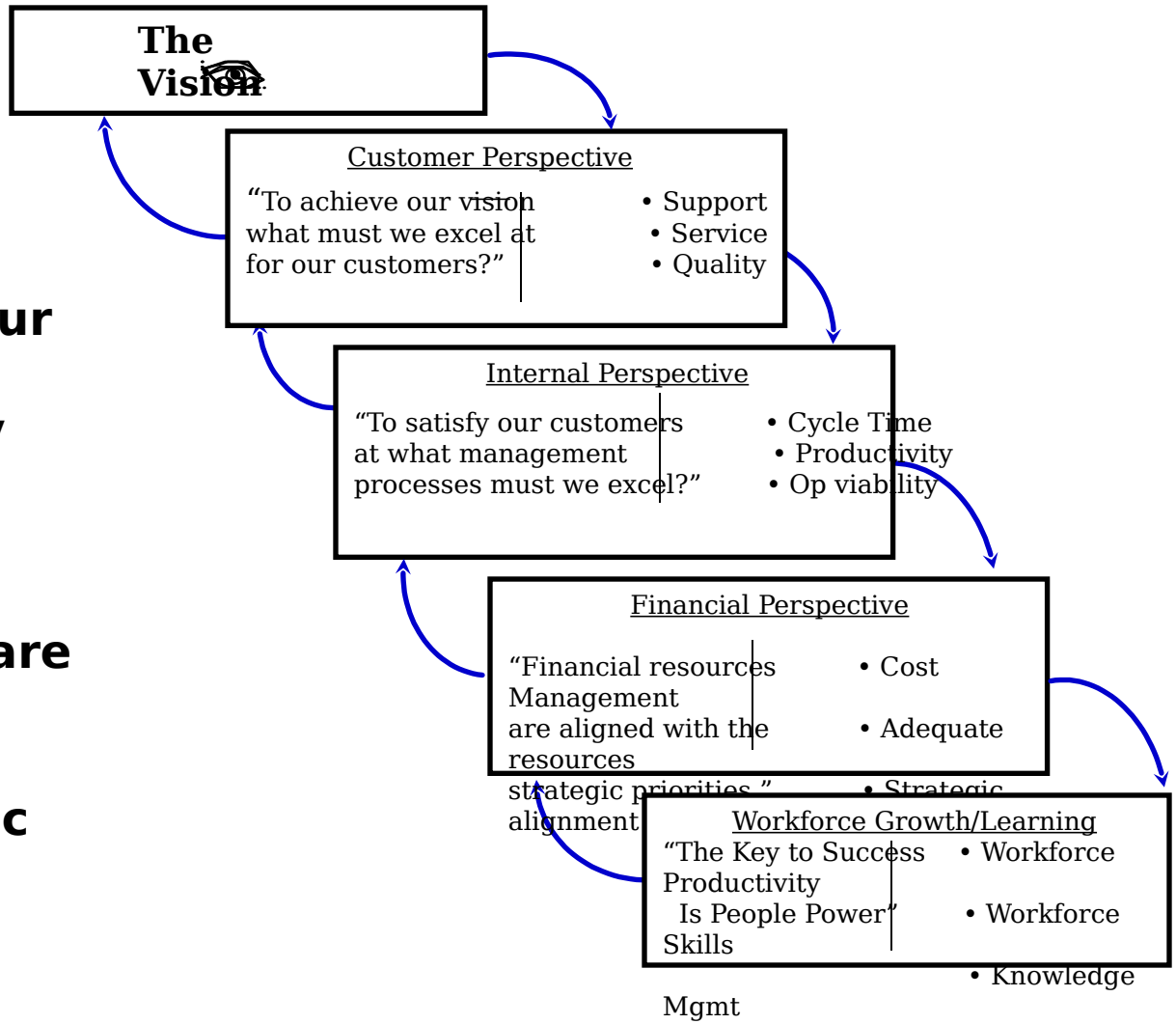
- Durable
- Comprehensive
- Compelling
- Aligned from top to bottom
- Includes supporting/tactical plans
- Strong implementation tool i.e. a Balanced Scorecard
- Resources aligned to strategic priorities

What is the Balanced Scorecard?

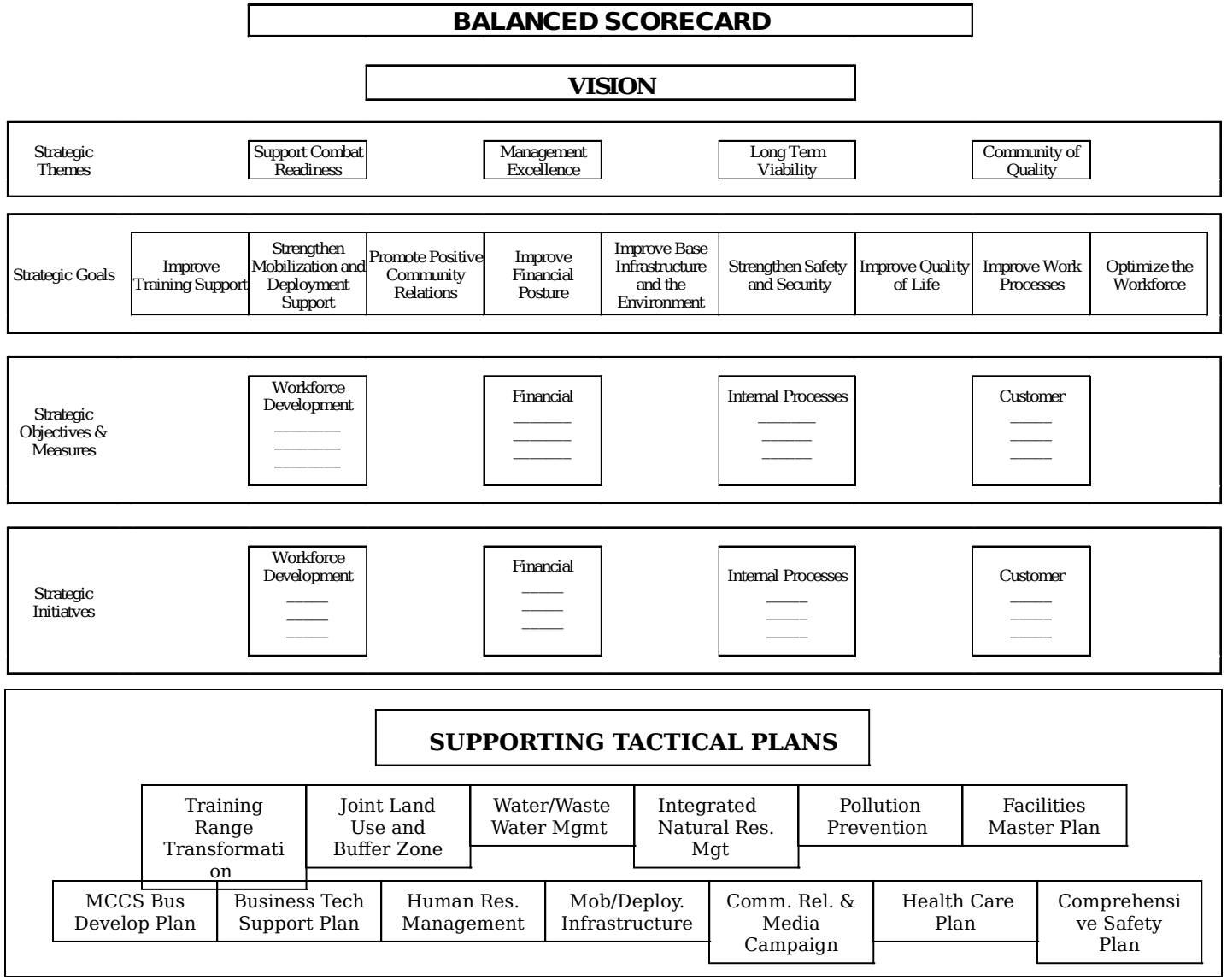
- **A strategic management tool that uses measures to manage the progress of strategic goals and objectives.**
- **It also provides a concise picture of the Strategic Plan which can be used to communicate the strategy of the entire workforce.**

The Four Dimensions of the Balanced Scorecard

- **The Balanced Scorecard uses four dimensions to translate strategy into operational terms.**
- **These four areas are the fundamental cause and effect factors in strategic management.**



THE BALANCED SCORECARD IS THE WINDOW TO THE BASE STRATEGIC PLAN



Marine Corps Base Corporate Scorecard

Perspective	Obj #	Objective	Meas. #	Measure	FY 04 Qtr 2	FY 04 Qtr 3	Target 04	Target 05	Target 08	Initiative
Customer	C-1	Provide State-of-the-Art Training Support	C1.M1	● % Range Utilization	24.05%		25%	30%	70%	● Range Transformation Initiative
			C1.M2	● % Completion of Range & Trng Area Transformation Initiative	28.00%		9%	33%	40%	● Buffer Zone Plan
										● Smart Range IT Project
	C-2	Strengthen Mobilization & Deploy Spt	C2.M1	● % Deployment Timelines Met	100%	100%	100%	100%	100%	● Mob/Deploy Infrastructure Plan
	C-3	Increase Cust Satisfaction w/BOS Services	C3.M1	● % of Customer Satisfaction w/Key BOS Services	92%	88%	90%	90%	95%	● ICE
	C-4	Strengthen Safety and Security	C4.M1	● Improvement of Safety and Security Index	11.67	13.33	10	12	15	● Annual Safety & Security Survey
			C4.M2	● % of Community Safety Perception Index			TBD	TBD	TBD	● MCTFER
										● Enhance 9-11 System
	C-5	Improve Quality of Life	C5.M1	● % Improvement of Customer Satisfaction Index	72%	67%	90%	90%	95%	● ICE
Internal Processes	I-1	Improve Work Processes	I1.M1	● Average Response Time Index	8.33	10.00	12	12	15	● Bus Process Improve Initiatives
			I1.M2	● Average Cycle Time Index	10.91	11.36	12	12	15	● Bus Process Improve Initiatives
			I1.M3	● # IT Solutions Implemented to Improve Bus Processes	15(ytd)	21(ytd)	15	15	15	● Bus Technology Spt Plan
	I-2	Optimize Workplace Safety	I2.M2	● Total Lost Time Injury and Illness Case Rate	5.20%	5.62%	4.33%	3.59%	2.5%	● Workplace Safety Info System
			I2.M3	● Lost Production Day Rate (annualized)	223.61	118.54	58.75	57.6	12	● Workplace Safety Info System
			I2.M5	● Cost of Lost Workdays (qtrly)	$157,240	$81,513	TBD	TBD	TBD	● Workplace Safety Info System
	I-3	Improve Base Infrastructure	I3.M1	● No. of CORRS Categories with 3 or 4 Rating	4	4	3	3	3	● Facilities E-Master Plan
			I3.M2	● % of MRP Sustainment Funding Level Received	100%	100%	100%	100	100%	● Water/Wastewater Plan
	I-4	Enhance the Environment	I4.M1	● % Implementation of Environmental Management Sys	60%	60%	75%	85%	100%	● Environmental Mgt System
			I4.M2	● % Implementation of Integrated Natural Resources Plan	46%	47%	40%	60%	100%	● Integrated Natural Resource Mgmt Plan
	I-5	Promote Positive Community and Intergovernmental Relations	I5.M1	● Improvement of Stakeholder Survey Index			TBD	TBD	TBD	● Annual Stakeholder Survey
	I-6	Mitigate Risks to Operational Viability	I6.M1	● % of Supporting Plans Prepared	61.25	61.25	100%	100%	100%	● Strategic Supporting Plans
			I6.M2	● % Completion of Supporting Plan Actions	43.33	43.33	50%	70%	100%	● Strategic Supporting Plans
Financial	F-1	Improve Alignment of Funds to Strategic Priorities	F1.M1	● $M Unfunded Supporting Plans Deficiencies			TBD	TBD	0	● Align Budget to Strategic Plan
			F1.M2	● CORRS Category 3 & 4 Buyout ($)	$64.11M	64.11M	$176M	$180M	$194M	● Facilities E-Master Plan
	F-2	Increase Revenue Streams	F2.M1	● # of Pilot Projects with New Funding			TBD	TBD	TBD	● Pursue Pilot Projects
	F-3	Optimize Operating Costs	F3.M2	● Attainment of HQMC ABC Benchmarks			80%	80%	100%	● Use ABC/M
Learning & Growth	L-1	Create a Positive Employee Climate	L1.M1	● % of Employee Satisfaction Survey			90%	90%	95%	● Annual Workforce Survey
	L-2	Create Climate for Action	L2.M2	● % Mil/Civ Workforce w/Job Goals Aligned to BSC			100%	100%	100%	● Performance-based HRM Prog
	L-3	Develop Trained and Capable Customer-Oriented Workforce	L3.M1	● % of IDPs Prepared			100%	100%	100%	● Enhance Workforce Training
			L3.M2	● % IDPs Completed			50%	65%	100%	● Automated Workforce Learning Sys
	L-4	Promote Knowledge-Sharing Environment	L4.M1	● % of Workforce Participating in Knowledge-Sharing Environment			TBD	TBD	TBD	● Knowledge Mgt Initiative

Strategic Alignment is Top Down

- **Strategic alignment from the top down is essential for success.**
- **The Corporate scorecard defines the framework for the scorecard of each organizational component.**
- **Therefore the cascading scorecards taken as a whole must reflect the same objectives as the Corporate scorecard.**
- **The cascading scorecards align with and support the corporate objectives while reflecting some functionally unique measures.**
- **This top to bottom alignment allows performance measures throughout the Base organization to roll-up to the corporate level.**

Cascading Scorecards

- **MCB Camp Lejeune Scorecards cascade two levels from the Corporate.**
  - ➔ **Corporate**
  - ➔ **Departments/Special Staff Section**
  - ➔ **Each of the various Divisions in each Department**
- **The CG is “contracted” with each Department Head on their scorecard.**
- **Each Department Head in turn contracts with their Division Heads.**

Cascading the Strategy

Corporate

Strategic Theme	Goal/Objective	Measures	Target
Support Combat Readiness	Strengthen Deployment Support	• Percent of Deployment Timeframes Met	100%

Department

Strategic Theme	Goal/Objective	Measures	Target
Support Combat Readiness	Strengthen Deployment Support	• Percent of Deployment Timeframes Met • Percent of Outbound Freight Movement	100% 100%

Division

Strategic Theme	Goal/Objective	Measures	Target
Support Combat Readiness	Strengthen Deployment Support	• Percent of Deployment Timeframes Met • Percent of Outbound Freight Movement Deadlines Met • Average Shipping	100% 100% 1.5 days (Pri 1)

Cascading Examples

- **Objectives and metrics cascade to appropriate organizational component**

  ➔ "Strengthen Mobilization & Deployment Support" cascades to Business & Logistics Dept scorecard

  ➔ "Provide State-of-the-Art Training Support" cascades to T&O Dept card

  ➔ "Increase Customer Satisfaction" cascades to all components and is fed by ICE

  ➔ "Improve Work Processes" cascades to all components

  ➔ "Optimize Operating Costs" cascades to all

  ➔ Etc.

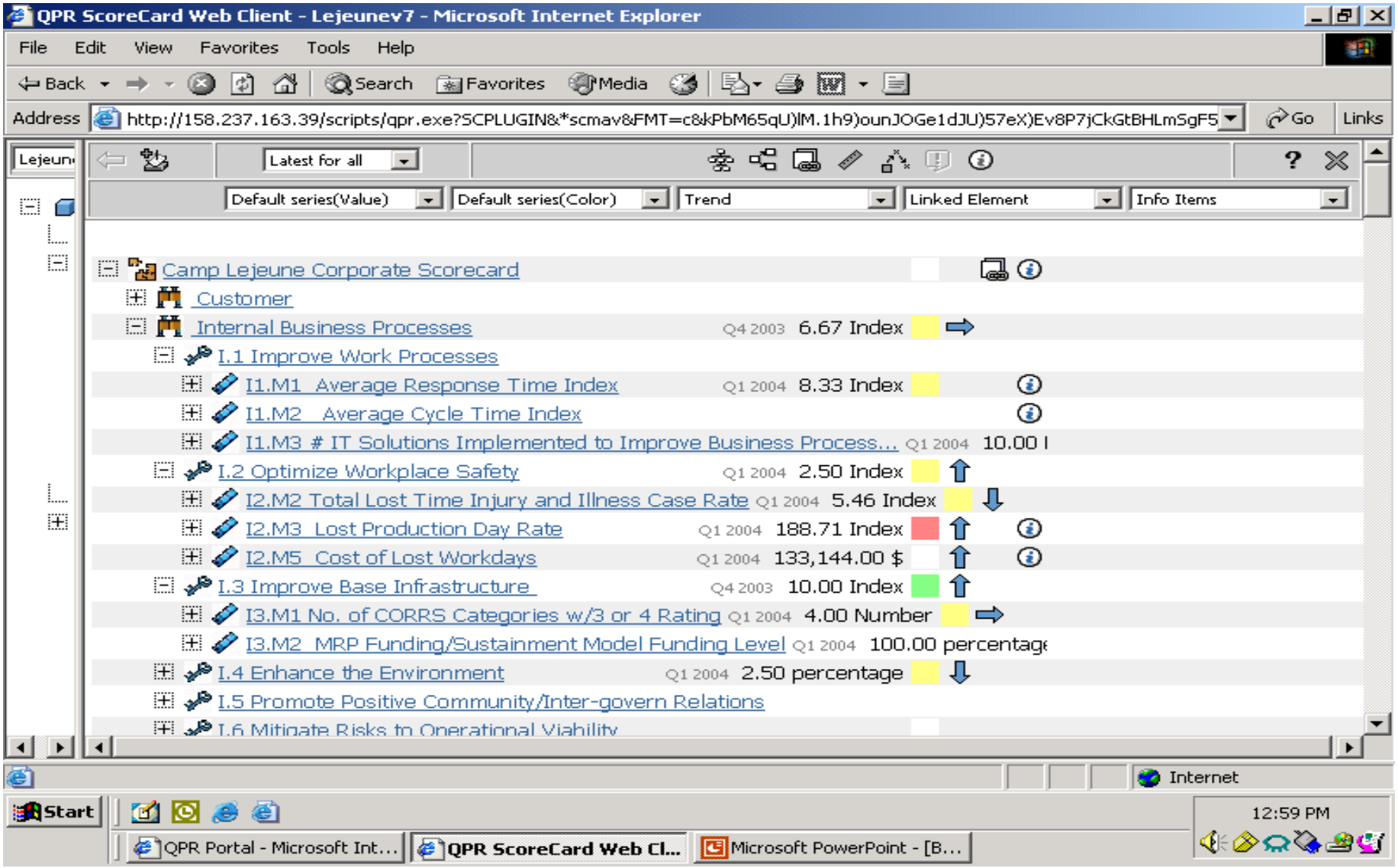
Strategic Scorekeeping

- **BLSD (BPO) is responsible for providing BSC scorekeeping support to the rest of the Base organization.**

- **BSC scores are posted on web-based QPR Scorecard Software.**

- **Managers throughout the Base organization simply point and click to see their performance data.**

Sample BSC Screen


QPR ScoreCard Web Client - Lejeunev7 - Microsoft Internet Explorer
File Edit View Favorites Tools Help
Back Search Favorites Media
Address http://158.237.163.39/scripts/qpr.exe?SCPLUGIN&*scmav&FMT=c&kPbM65qU)lM.1h9)ounJOGe1dJU)57eX)Ev8P7jCkGtBHLmSgF5
Go Links
Latest for all
Default series(Value)
Default series(Color)
Trend
Linked Element
Info Items
Camp Lejeune Corporate Scorecard
Customer
Internal Business Processes Q4 2003 6.67 Index
I.1 Improve Work Processes
I1.M1 Average Response Time Index Q1 2004 8.33 Index
I1.M2 Average Cycle Time Index
I1.M3 # IT Solutions Implemented to Improve Business Process... Q1 2004 10.00
I.2 Optimize Workplace Safety Q1 2004 2.50 Index
I2.M2 Total Lost Time Injury and Illness Case Rate Q1 2004 5.46 Index
I2.M3 Lost Production Day Rate Q1 2004 188.71 Index
I2.M5 Cost of Lost Workdays Q1 2004 133,144.00 $
I.3 Improve Base Infrastructure Q4 2003 10.00 Index
I3.M1 No. of CORRS Categories w/3 or 4 Rating Q1 2004 4.00 Number
I3.M2 MRP Funding/Sustainment Model Funding Level Q1 2004 100.00 percentage
I.4 Enhance the Environment Q1 2004 2.50 percentage
I.5 Promote Positive Community/Inter-govern Relations
I.6 Mitigate Risks to Operational Viability
Internet
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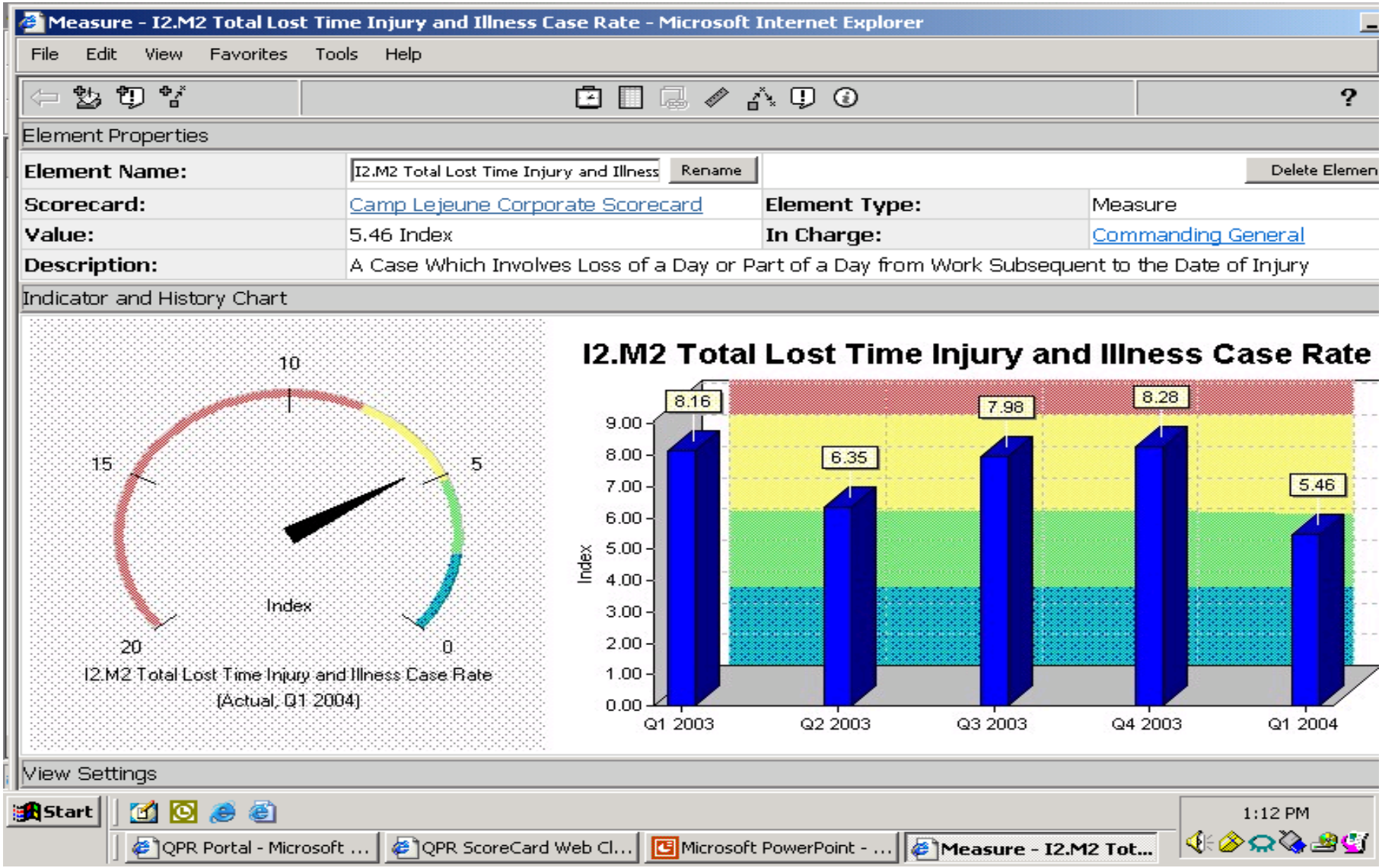
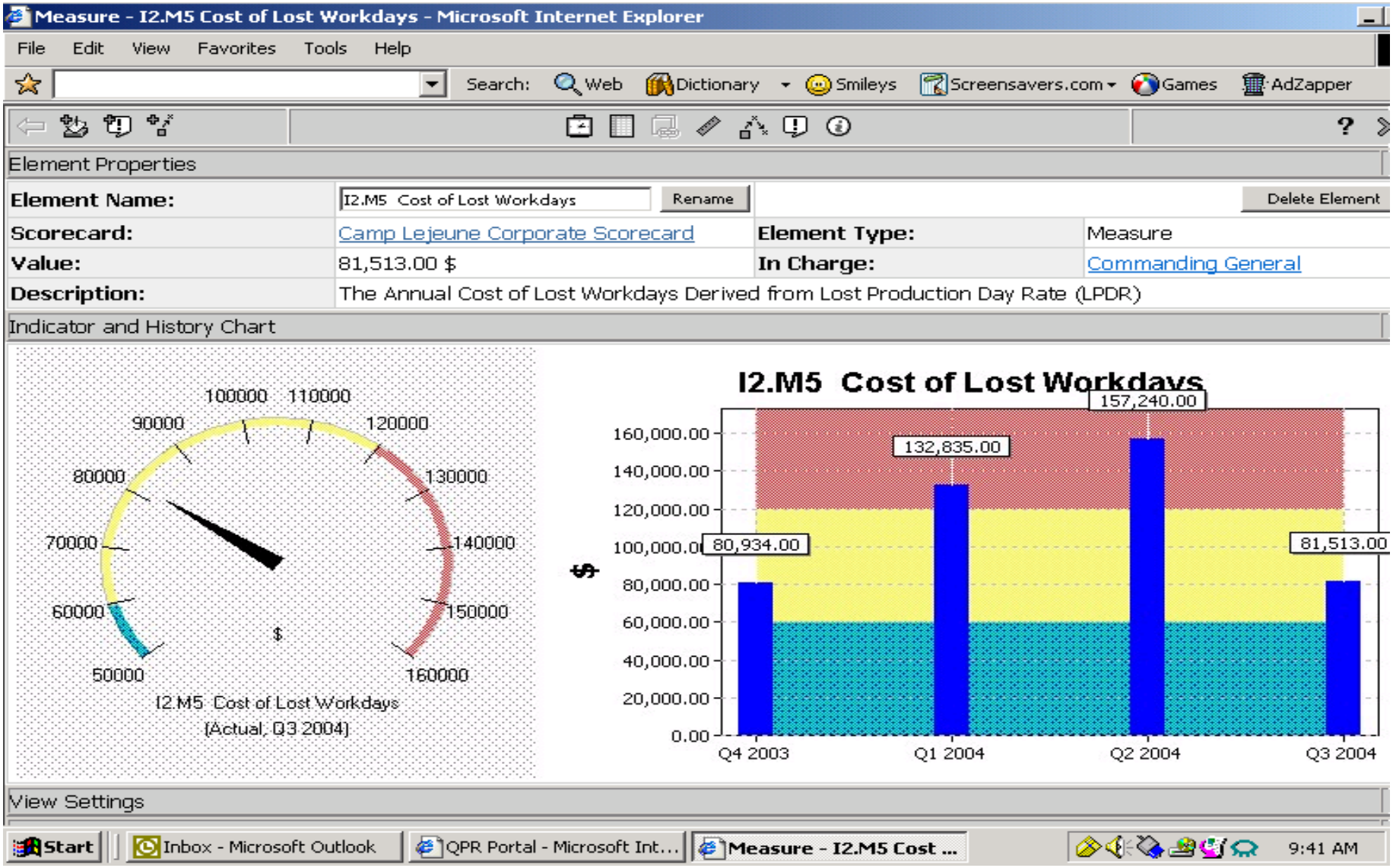
Web-Based Balanced Scorecard Measure Example



Web-Based Balanced Scorecard Measure Example



Questions?